International Airports Authority in 1972. The tenders were invited for this hotel in 1988. The terms and conditions of this hotel were: (a) Payment of lease money for land at the rate of—this amount would have gone to the International Airports Authority—Rs. 50 per sq. metre per annum which is to be revised by the International Airports Authority, from time to time. I have checked up with the International Airports Authority and they have told me that they have very recently revised it. As against Rs. 50 per square metre, it is now Rs. 110 per square metre. (b) In addition to the lease money, payment of 6 per cent on the gross turnover on hotel business or a minimum gurantee amount which is Rs. 37.5 lakhs per annum, whichever is higher. (c) On the expiry of the lease which is 30 years, the hotel including structures, fittings, fixtures, etc., will become the property of the Airports Authority without payment of any compensation. (d) The construction of the hotel shall be in accordance with the plans and specifications of the Airports authority with floor space index as one and in conformity with such directions as the Authority may issue in this connection.

(e) The International Airports Authority would have the power to nominate a maximum of two members on the Board of the company to construct or run the hotel. The lease period was decided to be 30 years.

THE DEPUTY CHAIRMAN: If Members confine themselves to particular questions, I can accommodate many people. Question No.125.

Collection of Central Taxes and Distributing them as State Share

*125. SHRI GOPALRAO VITHALRAO PATIL: Will the Minister of FINANCE be pleased to state:

(a) what is the total collection of taxes as customs duty and corporate tax for the last three years;

(b) what are the reasons for not taking into consideration this tax while distributing Centre's share to States according to the recommendation of 10th Finance Commission when many States are demanding it; and

(c) what is the percentage of share of various taxes given as States' share, and whether the 10th Finance Commission has suggested 26 of all gross receipts of all central taxes as States' Share?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.V. CHANDRASHEKHAR MURTHY): (a) The total collection of customs duty and Corporate Tax for the last three year is an under:—

Year	Customs Revenue (Rs. in crores)	Net Collection From Corporate (Rs. in crores)
1992-93	23717.28	8899
1993-94	22239.74	10060
1994-95	26664.82	13821

(b) As per the provisions contained in the Indian Constitution, only taxes on income other than agricultural income shall be levied and collected by the Govt. of India and distributed between the union and the States. However, taxes on income does not include the Corporation Tax, therefore it is not shared. There is no provision in the Constitution for sharing the Customs Duty with the States.

(c) The percentage share of various taxes assigned to the states for the year 1995-96 is at statement (see below). The Tenth Finance commission in para 13.14 has suggested an alternative scheme of devolution—26% of the gross receipts of Central taxes could be shared with the states. However, this recommendation involves constitutional amendment and extensive consultation with the States.

Statement

		Income Tax	Basic Excise 40%	Ex-Duties 7.5%	Additional Excise Duties	Additional Excise Duties of	grants in lieu Railway Passnger Fares
1.	Andhra Pradesh	8.465	8.465	12.069	7.820	8.343	
2.	Arunachal Pradesh	0.170	0.170	3.410	0.104	0.005	
3.	Assam	2.784	2.784	8.543	2.483	1.368	
4.	Bihar	12.861	12.861	6.434	7.944	9.328	
5.	Goa	0.180	0.180	0.973	0.232	0.194	
6.	Gujarat	4.046	4.046	—	5.995	6.901	
7.	Haryana	1.238	1.238	—	2.366	1.917	
8.	Himachal Pradesh	0.704	0.704	8.816	0.595	0.103	
9.	Jammu & Kashmir	1.907	1.907	13.366	0.856	0.728	
10.	Karnataka	5.339	5.339	—	5.744	3.383	
11.	Kerala	3.875	3.875	—	3.740	3.465	
12.	Madhya Pradesh	8.290	8.290	—	7.236	6.882	
13.	Maharashtra	6.126	6.126	—	12.027	17.548	
14.	Manipur	0.282	0.282	3.930	0.197	0.018	
15.	Maghalaya	0.283	0.283	3.590	0.188	0.034	
16.	Mizoram	0.149	0.149	3.676	0.079	0.001	
17.	Nagaland	0.181	0.181	5.818	0.137	0.145	
18.	Orissa	4.495	4.495	4.815	3.345	1.715	
19.	Punjab	1.461	1.461	—	3.422	3.280	
20.	Rajasthan	5.551	5.551	0.835	4.673	4.443	
21.	Sikkim	0.126	0.126	1.199	0.053	0.010	
22.	Tamil Nadu	6.637	6.637	—	7.669	6.458	
23.	Tripura	0.378	0.378	5.465	2.286	0.039	
24.	Uttar Pradesh	17.811	17.811	17.061	14.573	15.568	
25.	West Bengal	7.471	7.471	—	8.036	8.082	
	Total	100.000	100.000	100.000	100.000	100.000	

SHRI GOPALRAO VITHALRAO PATIL: Madam Deputy Chairperson, this question relates to Centre's sharing of resources with the States. As the States are already in financial difficulties, they demand more from the Centre. Here is the recommendation of the Tenth Finance Commission. From the income-tax revenue, previously 85 per cent was given to the States. Now, it is about 77.5 per cent. About customs duty, it was 45 per cent. Now,...(*Interruptions*). by adjustment, the excise duty was 40 per cent. Now it is also reduced to 37.5 per cent. The States feel aggrieved. Constitutional provisions are sometimes used to deprive the States of their share. Every time we are reviewing the tax structure. When we are reviewing the New Economic Policy, I would like to know whether the Finance Minister is considering reviewing the recommendations of the Tenth Finance Commission. This is my first supplementary.

SHRI M. V. CHANDRASHEKARA

MURTHY: The Tenth Finance Commission has recommended that the share of the Union excise duty be increased to 47.5 per cent from the 40 per cent of the Ninth Finance Commission. Of this, 40 per cent is recommended for distribution to all the States and the remaining 7.5 per cent is earmarked for distribution on the basis of past devolution of deficits as assessed by the Tenth Finance Commission. In addition, the Tenth Finance Commission has laid down the principles of distribution. There are certain features of distribution of excise duty. Twenty per cent of it is based on the population of 1971. (*Interruptions*).

I wish to inform the hon Member that in the case of excise duty, the States are getting an amount of Rs. 1,21,692 crores in 1992—2000 under the Tenth Finance Commission recommendations.

SHRI GOPALRAO VITHALARAO PATIL: As I said, even the income tax percentage has reduced from 85 per cent to 77.5 per cent about which no clarification has come.

Another aspect of the question relates to the corporate tax. This tax is increasing every year for the last three years and now the total revenue is about Rs. 13,000 crores or more. Maharashtra contributes more than Rs. 5,000 crores by way of corporate tax. This tax was also considered for distribution to the States up to 1959 and the Rangarajan Committee has also recommended that we should continue the distribution of corporate tax to the States. But now it is eliminated from the states' share. The States which are already facing economic difficulties are also denied their share of the corporate tax. Will the Minister consider this aspect and include this tax also for distribution of States' share?

Another thing is, whatever income out of the 77.5 per cent we want to give to the States, the *per se* distribution to the states has also gone down. For example, under the last Finance Commission, 8.2 per cent was given to Maharashtra from the income tax share. But now this has come down to 6.125 per cent. Why is there such disparity? I request you to clarify these things. Thank you.

SHRI M. V. CHANDRASHEKHAR MURTHY: Madam, I wish to point out to the hon. Member that the total transfer of taxes to the states under the Tenth Finance Commission is increasing.

The total transfers of taxes to the States under the Ninth Finance Commission were to the tune of Rs. 1,66,036.43 crores, but under the Tenth Finance Commission the states are getting Rs. 2,26,643.30 crores. As pointed out by the hon. Member about sharing the corporate tax, at present the Government has no such proposal to distribute the corporate tax, Madam.

SHRI SATISH AGARWAL: Madam, the answers given by the hon. Minister seem to be very simple but we are not concerned with this. I draw the attention of the hon. Finance Minister to the statement which he laid on the Table of the House on the 14th of March, 1995, in which the recommendations of the Tenth Finance Commission were categorised into four parts. With regard to three—"which are to be implemented by an order of President, one by law of Parliament, the other by executive orders and the third to be examined further"—I want to know from him whether after a lapse of nine months he has examined the recommendations of the Tenth Finance Commission which fall in category NO. (iv), according to his statement laid on the Table of the House on the 14th of March, 1995 and what decision has been taken on that score. That is part (a). Part (b) is in view of the recommendations of the Eighth Finance Commission, in view of the recommendations of the Sarkaria Commission, in view of the recommendations of the Chelliah Committee and in view of the recommendations of the Tenth Finance Commission, which are contained in paragraph 13.14 of the Tenth Finance Commission Report, what about the point that they have recommended 29 per cent of all divisible taxes out of the total pooling all sources of the Central Government, including the corporation tax and customs duties? Why has no

amendment to the Constitution or the respective laws has been brought forward so far even after the expiry of nine months? Do you have any *bona fide* intention to bring such an amendment to the Constitution, which you promised your statement and which you also stated in this House or do you not intend to bring such an amendment? You have accepted all these recommendations contained in para 13.14. Mr. Debiprosad Pal, who happened to be a member of the Tenth Finance Commission, is now a part of the Finance Ministry. Has he changed his views now? The recommendation given is with regard to sharing of 29 per cent of all taxes of the Central Government, including the customs duties, and the corporation tax has to be divided amongst the States with effect from 1st of April, 1996, but that can be done only when there is an amendment to the Constitution or the respective laws. You have taken no steps so far in this behalf.

उपसभापति: अग्रवाल जी, जवाब देने का समय छोड़ देंगे?

श्री सुन्दर सिंह भंडारी: अभी जवाब देने के लिए टाईम है।

THE MINISTER OF FINANCE (SHRI MANMOHAN SINGH): Madam, the hon. Member is absolutely correct that there is a recommendation of an alternative scheme of devolution, but that requires an amendment to the Constitution. Amendment to the Constitution is not a simple affair. It requires prior consultation is not a simple affair. It requires prior consultation and the evolution of a genuine consensus. I have been talking to various Chief Ministers. Some Chief Ministers say, "No, we are not satisfied with 29 per cent." They have written to me, "It should be 40 per cent." Unless there is a broad consensus, I cannot rush into, I think, an amendment to the Constitution.

SHRIMATI KAMLA SINHA: Madam, I was going through these papers, the answer and the annexure attached to it. I just want to know out of the total collection of taxes as customes duty and corporate tax what the share of the Bihar Government has been and how much money has been disbursed to Bihar.

SHRI MANMOHAN SINGH: Madam, my hon. colleague has already pointed out that customs duties and corporate tax are not shared with the States.

THE DEPUTY CHAIRMAN: The Question Hour is over.

WRITTEN ANSWERS TO QUESTIONS

Guidelines for Electrification of Villages

*121. SHRI T. VENKATRAM REDDY:
SHRI G. PRATHAPA REDDY:

Will the Minister of POWER be pleased to state:

(a) whether the work of electrification of villages in the country is done according to the guidelines of Government;

(b) if so, the guidelines laid down by Government in this regard;

(c) whether suggestions have been received to make amendments therein; and

(d) if so, the final decision taken by Government in this regard?

THE MINISTER OF POWER (SHRI N. K. P. SALVE): (a) and (b) While no detailed guidelines have been given by Government of India in respect of Rural Electrification programme to the State Government, it is the responsibility of the State Governments to carry out the work of village electrification as per their own requirements and availability of financial resources with them. Rural Electrification Corporation provides to the State Governments, SEBs, Cooperative Societies, technical guidance and financial assistance for this purpose.